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Aspeed Technology | Asia Pacific

Substrate Constraints Remain the Key Uncertainty, Adding an Additional Substrate Supplier; OW

What's new: Aspeed reported May revenue of NT\$1,282mn, +0.25% MoM and +69% Y/Y, slightly lower than our expectation of NT\$1,381mn, but we think the shortfall is likely to be recovered in June after Aspeed receives more substrate support.

Stay OW: Demand remains very strong in the near term, while Aspeed's upside is capped by limited T-glass supply. However, as Aspeed is finishing up the E-glass qualification, we do expect revenue to start climbing in 2H26. Also, Aspeed has qualified another Taiwanese substrate vendor to help secure sufficient supply in 2H. We still expect margin to reach 70% after a potential second round of price hike in 4Q26 (see [earnings result pulse](#)). The stock is currently trading at 53x 2027e EPS.

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**Aspeed Technology (5274.TWO, 5274 TT)**

Greater China Technology Semiconductors | Taiwan

Stock Rating	Overweight
Industry View	Attractive
Price target	NT\$23,456.00
Up/downside to price target (%)	34
Shr price, close (Jun 5, 2026)	NT\$17,505.00
52-Week Range	NT\$19,510.00-3,990.00
Sh out, dil, curr (mn)	38
Mkt cap, curr (mn)	NT\$657,383
EV, curr (mn)	NT\$651,084
Avg daily trading value (mn)	NT\$3,294

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT\$)**	103.94	232.09	327.66	462.42
Prior EPS (NT\$)**	-	-	-	-
EPS (NT\$)§	100.67	189.34	294.77	466.63

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Revenue, net (NT\$ mn)	9,085	18,507	25,891	35,207
EBITDA (NT\$ mn)	4,984	10,773	15,370	21,738
ModelWare net inc (NT\$ mn)	3,928	8,774	12,386	17,481
P/E	69.8	75.4	53.4	37.9
P/BV	36.0	50.3	36.3	26.0
RNOA (%)	214.7	635.0	418.9	420.9
ROE (%)	69.7	115.9	94.8	96.4
EV/EBITDA	53.4	60.1	41.8	29.3
Div yld (%)	0.5	1.1	1.6	2.2
FCF yld ratio (%)**	0.6	1.1	1.7	2.4
Leverage (EOP) (%)	(83.2)	(78.9)	(78.6)	(79.0)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework

** = Based on consensus methodology

§ = Consensus data is provided by Refinitiv Estimates

e = Morgan Stanley Research estimates

Valuation Methodology and Risks

Aspeed Technology (5274.TWO)

Base case, residual income model. Key assumptions:

- Cost of equity of 9.8% (2.0% risk-free rate, 6% risk premium, 1.3 beta)
- Medium-term growth rate of 21.4%
- Terminal growth rate of 5.5%
- Cash payout ratio of 85%

Risks to Upside

- Stronger cloud demand
- Faster-than-expected spec migration
- Mild competition

Risks to Downside

- Softening cloud demand
- Slower-than-expected spec migration
- Intensified competition
- Further policy tightening in China

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(as of May 31, 2026)

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	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1542	42%	465	51%	30%	707	43%
Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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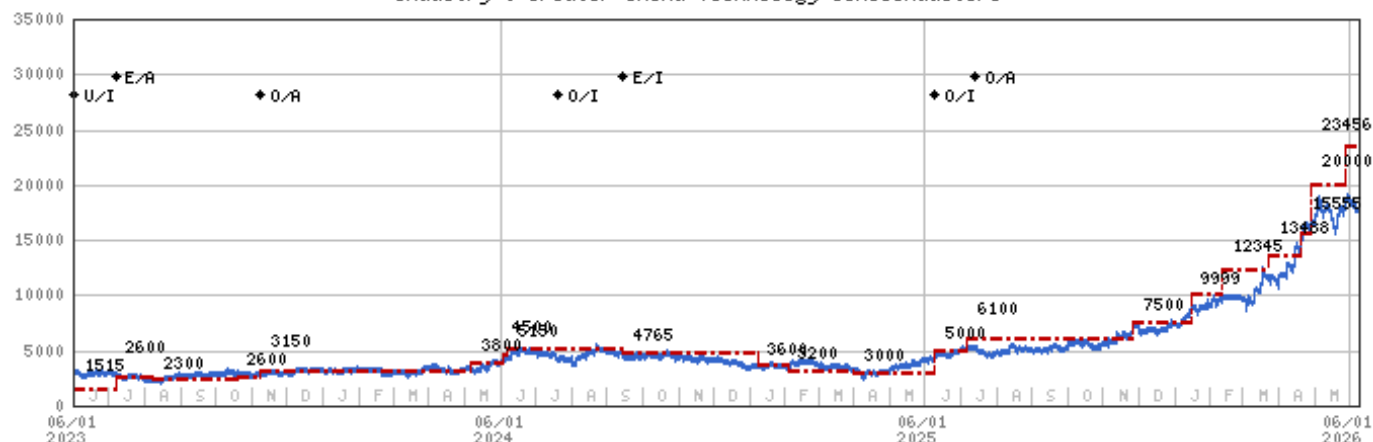
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Stock Price, Price Target and Rating History (See Rating Definitions)

Aspeed Technology (5274.TWO) - As of 06/08/26 GMT in TWD
Industry : Greater China Technology Semiconductors



Stock Rating History: 6/1/21 : 0/I; 10/12/21 : 0/C; 5/20/22 : E/C; 10/4/22 : E/A; 1/11/23 : U/A; 2/22/23 : U/I; 7/7/23 : E/A; 11/8/23 : 0/A; 7/21/24 : 0/I; 9/15/24 : E/I; 6/9/25 : 0/I; 7/14/25 : 0/A

Price Target History: 4/23/21 : 2036.36; 6/3/21 : 2322.73; 11/16/21 : 3090.91; 4/8/22 : 3636.36; 5/20/22 : 2181.82; 7/13/22 : 2182; 7/19/22 : 1700; 10/12/22 : 1595; 1/11/23 : 1515; 7/7/23 : 2600; 8/8/23 : 2300; 10/19/23 : 2600; 11/8/23 : 3150; 5/7/24 : 3800; 6/3/24 : 4500; 6/7/24 : 5150; 9/15/24 : 4765; 1/8/25 : 3600; 2/3/25 : 3200; 4/1/25 : 3000; 6/9/25 : 5000; 7/7/25 : 6100; 11/26/25 : 7500; 1/15/26 : 9999; 2/11/26 : 12345; 3/23/26 : 13488; 4/20/26 : 15555; 4/29/26 : 20000; 5/28/26 : 23456

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)

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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/05/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US\$76.29
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb276.00
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT\$156.00
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT\$4,285.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT\$577.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,299.20
Global Unichip Corp (3443.TW)	E (05/28/2026)	NT\$4,410.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT\$811.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT\$520.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK\$145.30
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK\$410.00
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT\$309.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb104.77
MediaTek (2454.TW)	O (11/28/2025)	NT\$4,300.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb710.00
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT\$360.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb603.36
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb95.39
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT\$2,450.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb107.74
Silergy Corp. (6415.TW)	U (05/19/2026)	NT\$582.00
SMIC (0981.HK)	O (10/21/2025)	HK\$75.65
TSMC (2330.TW)	O (02/07/2022)	NT\$2,365.00
UMC (2303.TW)	O (05/19/2026)	NT\$131.50
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT\$161.50
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT\$483.50

Daisy Dai, CFA

ASMP Ltd (0522.HK)	O (07/24/2025)	HK\$176.00
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb66.58
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT\$158.50
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb98.73
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb33.95
Innoscence (2577.HK)	E (10/13/2025)	HK\$71.55
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb75.65
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK\$28.80
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb130.93
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb113.18
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb75.14
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb42.66
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb102.87

Daniel Yen, CFA

AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT\$1,010.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT\$1,525.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT\$17,505.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT\$116.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb120.25
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb488.00
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT\$150.00
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK\$368.80
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb239.39
Novatek (3034.TW)	U (02/04/2026)	NT\$492.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT\$178.00
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT\$736.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT\$74.60
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT\$643.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb55.32
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT\$162.00
WPG Holdings (3702.TW)	O (03/16/2026)	NT\$114.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT\$281.00

Duan Liu

Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb126.00
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb520.01

Tiffany Yeh

AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT\$1,120.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT\$908.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US\$20.08
Hon Precision (7769.TW)	O (04/17/2026)	NT\$7,275.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT\$5,765.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US\$258.70
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT\$8,425.00

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* Historical prices are not split adjusted.